

In the Matter of:)
)
Application for Certification) Docket No.
of the Roseville Energy Facility) 01-AFC-14
by Enron North America Corp.)
)

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMITTEE MEMBERS PRESENT

Robert A. Laurie, Commissioner, Presiding Member

HEARING OFFICER and ADVISORS PRESENT

Susan Gefter, Hearing Officer

Michael Smith, Advisor

STAFF AND CONSULTANTS PRESENT

Kerry A. Willis, Staff Counsel

Lance Shaw, Project Manager

Natasha Nelson

Laiping Ng

Richard Sapudar

Stuart Itoga

Brewster Birdsall
Aspen

Alvin Greenberg

PUBLIC ADVISER

Robertta Mendonca

Susan Durkee

APPLICANT

Allan J. Thompson, Attorney

Samuel Wehn, Project Director
Stan Gray
Don Hammon
Enron North America Corporation

Kenneth F. Horn
Patch Engineering and Construction

APPLICANT

Robert L. Ray, Project Manager
Joan A. Heredia, Manager of Air Quality Services
Anne Knowlton
URS Corporation

Kathy Russuth
Russuth Consulting

INTERVENORS

Maurice H. Oppenheim, Attorney

ALSO PRESENT

Kirk Sornborger, Environmental Project Specialist
Anita Wiley, Project Management
Mariam Mirzadeh, Electrical Engineer
Morteza Sabet, Manager, Resource and Planning
Western Area Power Administration

Rod Boschee, Manager, Contract Development and
Management, Gas System Operations
Michael O'Brien, Senior Contract Engineer
Pacific Gas and Electric Company

John Finnell, Senior Air Quality Engineer
Placer County Air Pollution Control District

Patty Dunn, Community Development Director,
Assistant City Manager
Mark Morse, Environmental Coordinator
Derrick H. Whitehead, Director, Environmental
Utilities
City of Roseville

Kam Hung
Roseville Electric

Christopher Grimes, Director, Facilities
Development
Roseville Joint Union High School District

David Kingsbury, Director, Maintenance and
Facilities
Roseville City School District

ALSO PRESENT

Nancy Peffley
Publicity Chair, Sun City Republicans

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P R O C E E D I N G S

6:03 p.m.

PRESIDING MEMBER LAURIE: Ladies and gentlemen, good evening. My name is Robert Laurie; I'm a Commissioner at the California Energy Commission, acting as Presiding Member of the Committee assigned to hear this case.

My colleague on the Committee, and the Chairman of the Commission, Bill Keese, is not present tonight, but his Senior Advisor, Mr. Michael Smith, to my right, is present.

Also present is the Hearing Officer assigned to this case, to my left, Ms. Susan Gefter. It is the Hearing Officer's responsibility to guide the hearing process and assist with the administration of the hearing.

Before we proceed any further I'd like some introductions of the parties starting with staff, Mr. Shaw.

MR. SHAW: Thank you. My name is Lance Shaw, California Energy Commission. I am the Project Manager representing staff.

Would the members on the staff and consultants please stand, and I'll say your name for the record. Tell us who you are and I'll

1 repeat it.

2 Brewster Birdsall, air quality. Natasha
3 Nelson, biology. Laiping Ng, transmission system
4 engineering. Rich Sapudar, soil and water
5 resources. Stuart Itoga, biology. Thank you.
6 Oh, attorney to my right, Kerry Willis.

7 PRESIDING MEMBER LAURIE: Thank you, Mr.
8 Shaw. Applicant, Mr. Thompson.

9 MR. WEHN: My name is Sam Wehn; I'm the
10 Project Director for the Roseville Energy
11 Facility. To my right is Allan Thompson, counsel
12 for the Roseville Energy Facility. And will those
13 members of the Roseville Energy Facility please
14 stand up and state your name.

15 MR. RAY: My name is Robert Ray, I'm the
16 Project Manager for URS Corporation.

17 PRESIDING MEMBER LAURIE: Mr. When,
18 you're going to have to repeat that so we can get
19 it on the record, please.

20 MR. WEHN: That's Robert Ray, the
21 Project Manager from URS. Ken Horn, Project
22 Engineer for Patch, Inc. Joan Heredia, air
23 quality, URS. Stan Gray, transmission, Enron.
24 Don Hammon, transmission, Enron. Anne Knowlton,
25 biology, URS. Kathy Russuth, public relations.

1 Thank you.

2 PRESIDING MEMBER LAURIE: Thank you, Mr.
3 Wehn. Anything else?

4 MR. WEHN: No, sir.

5 PRESIDING MEMBER LAURIE: Do we have a
6 representative from CURE present?

7 Seeing none, do we have a representative
8 from SMUD present?

9 Seeing none, Mr. Oppenheim, also an
10 intervenor. Sir, if you could just come to the
11 podium and state your name for the record, please.

12 MR. OPPENHEIM: Thank you. My name is
13 Maurice Oppenheim and I live in the City of
14 Roseville. And I am an accepted intervenor; my
15 petition was granted by the Commission.

16 PRESIDING MEMBER LAURIE: Thank you,
17 sir.

18 We do not have another microphone?
19 Okay, well, that's unfortunate. We're going to
20 have to use that one, okay.

21 There are a number of public agencies
22 that have an interest in these hearings. If any
23 representative of a public agency is present, we
24 would ask you to come and identify yourself,
25 please.

1 MR. FINNELL: John Finnell, Placer
2 County Air Pollution.

3 MR. GRIMES: My name is Christopher
4 Grimes from Roseville Joint Union High School
5 District.

6 PRESIDING MEMBER LAURIE: Thank you.

7 MR. MORSE: Mark Morse with the City of
8 Roseville; accompanied with Derrick Whitehead and
9 Patty Dunn, also with the City of Roseville.

10 PRESIDING MEMBER LAURIE: Thank you,
11 sir. Any other public agencies? Sir.

12 MR. KINGSBURY: Dave Kingsbury,
13 Roseville City School District.

14 PRESIDING MEMBER LAURIE: Thank you.

15 MR. SORNBORGER: Mr. Sornborger, Western
16 Area Power Administration. I'm accompanied by
17 several other members from Western Area Power
18 Administration, Anita Wiley, Mariam Mirzadeh and
19 Morteza Sabet.

20 PRESIDING MEMBER LAURIE: Thank you very
21 much. Yes, sir.

22 MR. HUNG: Kam Hung from Roseville
23 Electric.

24 PRESIDING MEMBER LAURIE: Thank you. Is
25 there a representative from Pleasant Grove

1 Wastewater Treatment Plant?

2 SPEAKER: I'm --

3 PRESIDING MEMBER LAURIE: Okay, we
4 already have your name on the record, is that
5 right? Thank you.

6 Okay, are there any representatives of
7 community organizations that are here to speak on
8 behalf of a group and would like to have your
9 presence acknowledged for the record? Okay.

10 Are there any members of the media
11 present? You are certainly not obligated to
12 identify yourself. If you care to, it would be
13 appreciated and helpful. Okay, seeing none.

14 I should note that these proceedings are
15 being transcribed and that it is essential that we
16 hear your comments cleanly and plainly; if there's
17 any disruption in the recording we'll stop the
18 procedure until the matter is repaired.

19 Any representatives of PG&E present?
20 The man with the tie. Should have figured it.

21 (Laughter.)

22 MR. BOSCHEE: I haven't worn one for a
23 couple months. Rod Boschee, PG&E; and also Mike
24 O'Brien with PG&E.

25 PRESIDING MEMBER LAURIE: Thank you,

1 gentlemen. Appreciate you being here.

2 Any elected officials present that have
3 not as yet been acknowledged. Okay, thank you
4 very much.

5 Ladies and gentlemen, this is a status
6 conference to talk about the status of the subject
7 case. We began the review of this power project
8 on October 17th. Pursuant to our rules we are
9 supposed to complete that review within a 12-month
10 period.

11 Well, according to the timeframe that is
12 being discussed, we're already about six months
13 behind, and we will get to those points and
14 determine whether or not even a six-month delay is
15 feasible.

16 We will want to hear a discussion about
17 primarily the schedule and the issues relating to
18 future possible delays. It is the desire of the
19 Committee to proceed forthwith. And it is the
20 Committee's preference to do so.

21 We would welcome any requests by the
22 applicant to provide for delays in that schedule.
23 We do have your correspondence which is requesting
24 a delay, and we will get to that. And we have
25 staff's position, as well.

1 There are a number of issues that we can
2 talk about today to the extent primarily that it
3 affects scheduling. Many of these issues will be
4 addressed through the data requests that will be
5 completed. Many of these issues will be further
6 addressed in public workshops.

7 So the primary discussion and focus of
8 today is twofold. One, to talk about scheduling
9 and the related issues that have an impact on the
10 scheduling. And, two, this is also an open forum.
11 At the end of the evening we'll provide an
12 opportunity for public comment for members of the
13 public who wish to comment. And you need not even
14 be specific in that regard.

15 Let me ask Mr. Smith, do you have any
16 comments that you wish to express at this time?

17 MR. SMITH: No, not at this time.

18 PRESIDING MEMBER LAURIE: Ms. Gefter?

19 HEARING OFFICER GEFTER: Yes. I want to
20 note for the record that Roberta Mendonca, the
21 Commission's Public Adviser, is present today.
22 And, Roberta, if you want to come up for a moment
23 and introduce yourself. And members of the public
24 who have any questions about participating in this
25 process may talk with Roberta.

1 MS. MENDONCA: Thank you very much.

2 It's a pleasure to be here this evening and see
3 some of the faces that I met when I was at the
4 informational hearing and site visit.

5 For those of you that came in before I
6 got here there is a handout prepared by the Public
7 Adviser that gives you a little bit of an overview
8 of what to expect in a status conference.

9 And as Commissioner Laurie has laid out
10 for you, the public comment pretty much comes at
11 the end after the discussion between the parties.

12 It's my pleasure to introduce a new
13 member of my staff this evening who is attending
14 her first formal Energy Commission status
15 conference, and her name is Susan Durkee. So some
16 of you will have an opportunity to work with
17 Susan.

18 Thank you very much.

19 PRESIDING MEMBER LAURIE: It is common
20 practice to have new members of the office to
21 comment and present, perhaps a 20-minute
22 biographical sketch of their --

23 (Laughter.)

24 PRESIDING MEMBER LAURIE: -- life's
25 history, Susan, if you care to do that. The

1 option is yours. You'll pass this time? Well, we
2 welcome you.

3 MR. THOMPSON: Mr. Commissioner, did you
4 mention drinks in the bar afterwards?

5 PRESIDING MEMBER LAURIE: Mr. Thompson
6 says that he is buying --

7 (Laughter.)

8 PRESIDING MEMBER LAURIE: -- except, of
9 course, for Commission Staff.

10 At this point I think the appropriate
11 thing to do would, Ms. Gefter, would it be your
12 preference to start with comments from the
13 applicant or from staff? Okay. Mr. Shaw.

14 MR. SHAW: Thank you. Again, my name is
15 Lance Shaw; I'm the Siting Project Manager
16 representing staff.

17 This is a joint review with Western Area
18 Power Administration and Kirk Sornborger is
19 sitting here, as well, so this is a joint project.

20 I didn't get all of these passed out and
21 I will hand them to -- and see if he will push
22 some backward because I do want to talk about
23 this.

24 What I want to talk about is a little
25 sheet that is a three-pager, and it gives a feel

1 for what staff is expecting on July 1.

2 On July 1 staff is expecting to receive
3 from the applicant the following: complete
4 responses to all data requests, and staff has
5 issued three sets of data requests. And by the
6 way, all of these are on the Energy Commission's
7 website. Those of you who don't get copies of
8 those I have extra copies up here.

9 A complete description of all linear
10 facilities which includes the gas supply line, and
11 there are gentlemen from PG&E here to discuss that
12 further; complete identification of electrical
13 interconnection and all system modifications;
14 revised electrical transmission interconnection
15 study, including selected mitigation measures.

16 Environmental review of all
17 reconductoring, and there's someone here from
18 Western who can address those transmission
19 impacts, as well; a couple of people.

20 Final natural gas system impact study
21 for the gas route which the applicant has
22 selected. Any proposed mitigation for impacts to
23 local gas supplies. Complete description of
24 measures to mitigate electric transmission
25 interconnection impacts.

1 A description of supplemental water
2 facilities to be used, that is, is it potable, is
3 it from another treatment facility for plant
4 cooling purposes. A complete biological
5 assessment. Preliminary determination of
6 compliance, a PDOC, from the Placer County Air
7 District.

8 Responses to December 7, 2001 letter
9 from Department of Education. And an update of
10 the property owners' list.

11 With that staff has put together a
12 tentative sort of schedule which I will hit very
13 quickly and then go to something called the issues
14 identification report, which staff filed on
15 November 26th last year.

16 July 1, the applicant will be filing all
17 materials noted on the two sheets that I just
18 mentioned. Somewhere around mid July, and there
19 is an asterisk, staff conducts a workshop on data
20 responses and other information received. I want
21 to go quickly to that asterisk.

22 If staff issues data requests on new
23 information received it may require two additional
24 months, and that will be needed before staff can
25 file its preliminary assessment, or PSA.

1 Late August, double asterisk, staff
2 issues its PSA, and that is Western Area Power
3 Administration will be submitting a proposed
4 schedule and staff will need to coordinate with
5 Western's process.

6 Mid October, local and federal final
7 determinations. Mid November 2002 staff issues
8 it's final assessment. And about four or five
9 minutes from now, to put that into perspective,
10 because I want to go to the second thing which is
11 the issues identification report, also found on
12 the website; slightly modified and I'll tell you
13 where it's modified from where it was filed,
14 slightly modified, and I will let you know where
15 it's modified.

16 When staff receives an application for
17 certification, and pardon me if we use the jargon
18 AFC, we go through and see what do we believe are
19 the significant things that will take difficulty
20 to resolve. And I'm going to go to page 3, and it
21 talks about the purpose of the report. And that's
22 what it is. This is not closed. These are the
23 issues that staff had identified as of November
24 26, 2001.

25 First of all it says what the project

1 is; it's a nominal 900 megawatt power plant. The
2 second paragraph under project description says it
3 will hook into a 10.1 mile electrical system,
4 which is defined in the paragraph, so I won't read
5 that.

6 There was about .1 miles for cooling
7 water from the Pleasant Grove Wastewater Treatment
8 Facility. And a 2.9 mile water line to supply
9 potable water for sanitary purposes at the plant.

10 Second page, the very bottom of the
11 second paragraph, again this is not new
12 information. The facility will cost between \$350-
13 and \$400 million.

14 Down below potential major issues
15 there's a description of what issues are. And in
16 essence it means something that might slow the
17 schedule. And we're headed that way.

18 The very next page, page 5, we listed a
19 table that shows about 22 areas where staff does
20 an evaluation on the project. And where you see
21 major issues, there were major issues in six
22 categories. The project overview, that is, what
23 is the description of the project.

24 Number two, air quality. Three,
25 biological resources.

1 We use the term linear facilities
2 several times, and we covered this in the
3 information hearing, but let me just say what it
4 is. Anything that hooks up to this power plant,
5 because of the power plant, is a linear facility
6 which staff has to evaluate.

7 That's why we're looking at transmission
8 system impacts and gas. Without the plant you
9 wouldn't need to have the gasline. So if it's for
10 the plant, staff reviews that as a linear
11 facility.

12 Land use; soil and water; and
13 transmission system engineering. And it says in
14 the bottom, at the time, in project overview, the
15 gas pipe was to be a line about five miles headed
16 south and east, I added south and east, it's from
17 the AFC.

18 Go quickly now to water resources on
19 page 8; I will cover paragraphs one and three,
20 just in brief. Staff was concerned that there
21 wouldn't be sufficient cooling water for plant
22 purposes on hot days for the first three to four
23 years. And if you were here on April 3rd, there
24 were two gentlemen covering water who sat here and
25 had quite a bit of information on data responses.

1 The last page is a table that staff put
2 forth as a schedule. This is predicated upon a
3 12-month process. If you can do two things for
4 me, that is look at the B sized sheet, 11 by 17,
5 and the other little sheet -- and you can tear
6 them if you want, this is yours to keep -- when
7 the AFC is filed, that's on the left-hand side,
8 the application for certification on this project
9 came in on August 10, 2001.

10 If you go all the way across there's a
11 little box on the side, and it became data
12 adequate. That means staff had enough information
13 which described the process that the clock started
14 for 12 months.

15 So if you think of a jigsaw puzzle with
16 1000 pieces, we had a picture on the box top.
17 That's a stack of documents well over a foot high.
18 I started to bring them, but I work downtown and I
19 have to carry those eight blocks, and it's not
20 worth it.

21 Okay, now if you go to the bottom of
22 this sheet, day 256, which is off the chart, would
23 be July 1st. Day 256 on this chart is between
24 staff's final assessment. We've gone through
25 evidentiary hearings and the Committee is ready to

1 put together its Presiding Member's Proposed
2 Decision.

3 What I'm here to say, and I'm sad to
4 say, after hundreds and hundreds of hours of
5 analyzing this information by our staff, we
6 haven't made significant progress. So when that
7 information comes in July 1, and I mention this in
8 status report 4, that's what I was ripping off
9 because I have 4 and 5 attached to some of them,
10 but they're on the website -- and in status report
11 4 I said staff would be seeing some of this
12 information at AFC level that we've not seen
13 before. That's a double double line up there.
14 You can't go back the other way.

15 So, what it looks like, we have an ex
16 parte thing. The Commissioners know what I'm
17 doing only by status reports, the same way you do.
18 And it's frustrating to spend this much time and
19 effort and not make more progress.

20 I'm done.

21 PRESIDING MEMBER LAURIE: Okay.
22 Anything else as part of your presentation, sir?
23 Do you have anything else as part of your
24 presentation?

25 MR. SHAW: I do not.

1 HEARING OFFICER GEFTER: I have a
2 question for Mr. Shaw. Going back to the issue
3 identification report that you handed out, on page
4 5 where you have some notations.

5 MR. SHAW: Yes.

6 HEARING OFFICER GEFTER: Would you
7 explain what those notations refer to?

8 MR. SHAW: Oh, yes, yes, yes, When
9 staff receives the filing on July 1, which is the
10 little clouded bubble, we believe, I have reason
11 to believe that these are the areas that will be
12 impacted. That is project overview. The project
13 overview will change. That is the description of
14 the project.

15 The description we have is now, not
16 what's in the AFC, it's not what's in the
17 transmission report. We don't know what it is.
18 So I said in status report 5, which I was busy
19 ripping off, staff's work is virtually suspended
20 at this time. However, we've spent hundreds of
21 hours literally.

22 Air quality will change, staff believes.
23 Biological resources will have to change, because
24 anytime you change the linear facilities you
25 change biological impacts.

1 The cultural resources will change
2 because cultural resources go with linear
3 facilities. Hazardous materials management,
4 probably. We have our expert here, Dr. Alvin
5 Greenberg.

6 The public health part will most
7 probably change. Soil and water for sure will
8 change. Traffic and transportation; anywhere you
9 have new linear facilities. Transmission system
10 engineering, yes. And waste management, yes.

11 That's what that means. And that was
12 added. This was not in your original issue
13 identification report, and I wanted to clearly
14 identify what was added, so that was added.

15 HEARING OFFICER GEFTER: In summarizing
16 what you have just indicated to the Committee are
17 you proposing that in the areas that you just
18 identified these would be at the stage of data
19 adequacy as of July 1?

20 MR. SHAW: Most probably. And, see, we
21 don't know because I haven't seen it. It's very
22 likely. We just haven't seen it.

23 My counsel would like --

24 MS. WILLIS: The purpose of our schedule
25 was just to give it some kind of an idea to the

1 Committee of where we think this project is going.
2 We've talked about it a lot and kind of mulled it
3 around. And it's very difficult for us, until
4 July 1st, to really be able to report back to you
5 in a clearer way on where we think the schedule,
6 you know, will proceed after that.

7 Until we see -- it's an awful lot, as
8 you can see, some major information is being
9 requested, and we're basically waiting for that
10 information.

11 On July 1st, when we receive the package
12 then we can, I think probably it would be
13 appropriate somewhere around mid July to give a
14 report back to the Committee on where we think we
15 are at that point in time.

16 PRESIDING MEMBER LAURIE: Thank you.

17 MR. SMITH: Mr. Shaw, in going down this
18 list I was curious if on land use, if alignments,
19 if you expect the alignment of linear facilities
20 to change, I'm curious why you wouldn't -- why
21 land use is not identified as likely to change.

22 MR. SHAW: It most probably would. I
23 had a will change, most likely change, I tried
24 several things on the code. And it was sort of --
25 this is rationalization -- sort of rushed put

1 together because one of the things about this --
2 I'm sorry, you didn't ask this -- since this has
3 slowed I was handed another project about ten days
4 ago, and it's at a very critical point in the PSA.
5 So I've been busy spending time on that. This was
6 quickly put together, so there might be some
7 missing.

8 I'd rather not put some in than to put
9 more in. And the applicant can certainly address
10 that if it chooses.

11 I hope I addressed your question,
12 Michael.

13 MR. SMITH: Thank you very much.

14 PRESIDING MEMBER LAURIE: Mr. Wehn.

15 HEARING OFFICER GEFTER: Mr. Wehn, even
16 as you begin I have a question for you which is
17 with respect to the July 1 date. As you make your
18 presentation would you explain to us how you've
19 chosen July 1st as the date when you can supply
20 the remaining data responses that staff has
21 discussed. Why is that date chosen?

22 MR. THOMPSON: Thank you, my name is
23 Allan Thompson. I'm going to try and be real
24 brief here and focus on the future and focus on
25 the schedule.

1 Ms. Gefter, to answer your question,
2 when the routes for the gasline and the additional
3 relatively minor, I think, routes for the
4 transmission line were identified we recognized
5 that we would have to do spring biology surveys.

6 Those are time-dependent, meaning that
7 there are survey requirements that go on through
8 the spring. It was our best determination that
9 not only would we have all of the information that
10 we think was requested by staff in the data
11 requests that we have not yet responded to, but
12 that the biology reports, which follow the field
13 studies, would be ready by July 1.

14 First of all, lest anyone think that we
15 agree completely with staff's characterization,
16 there are a number of things that are not changing
17 with the project.

18 I guess I'd start with the power plant
19 which, to my mind, is a relatively significant
20 part of the project. The linear parts are being
21 added to, mostly with things like biology studies,
22 cultural studies along those linear routes.

23 We have data requests that we have not
24 been able to respond to that we will. But we want
25 you all to know that the power plant and the

1 analysis of the plant site we don't think should
2 change.

3 Now, let me get to what I think are the
4 scheduling issues here. As I said, we are on
5 track to file on July 1. We think we understand
6 all of the data request requirements from staff.
7 And we will be -- we are on track to file them.

8 We recognize that the one-year licensing
9 timeframe is no longer feasible. And, in fact, I
10 think early on we indicated that because of the
11 number of power plant projects in this area of the
12 world, and other changes that were going on, we
13 probably would have a hard time meeting a one-year
14 timeframe. Well, unfortunately, that's come to
15 pass. And we recognize that, and we are ready to
16 go forward with a schedule that abandons the one
17 year. And have been ready for some time.

18 We also recognize that staff is going to
19 want to -- is awaiting the July 1st filing and may
20 have data requests and clarifications following
21 that.

22 I guess my suggestion to the Committee
23 would be that we look at staff's proposed
24 schedule, but that maybe sometime in mid to late
25 July after staff has seen our responses, that we

1 could hold another scheduling conference. At that
2 time we will surely know a lot more.

3 I'm a bit hesitant to go out too far in
4 the future with dates without staff having seen
5 what we will be presenting to them on July 1.

6 So, although we are not averse to
7 staff's schedule here, my one request would be to
8 take out the asterisk -- no, just kidding, just
9 kidding -- we're not completely averse to this,
10 but we think it would be beneficial to have
11 another scheduling conference sometime after our
12 responses are submitted.

13 MR. WEHN: My name is Sam Wehn. I'd
14 like to add to that to give you some confidence
15 that we can meet July 1, is we have spent a fair
16 amount of time over the last two months working
17 with Placer County Air District, Western, the City
18 of Roseville, PG&E to define, clarify, to confirm
19 what this project is going to look like at the end
20 of the day.

21 We think on this map is a description of
22 what we are going to present on July 1st. And as
23 Allan has indicated, we are out actually doing the
24 environmental work to provide the data that is
25 needed for July 1st submittal.

1 So I think each of the agencies that
2 we've been working with have been working with us
3 very well. We really appreciate their support.
4 We think we are making significant progress, and
5 feel very comfortable that it's an achievable
6 target.

7 PRESIDING MEMBER LAURIE: Thank you, Mr.
8 Wehn. Any additional comments at this point?

9 MR. WEHN: No, sir.

10 PRESIDING MEMBER LAURIE: Mr. Oppenheim,
11 do you have any comments, sir, on the issue of the
12 schedule and the material that's been provided up
13 to this point? Would you care to comment?

14 MR. OPPENHEIM: I have no comment at
15 this time --

16 PRESIDING MEMBER LAURIE: Okay, let the
17 record reflect that Mr. Oppenheim does not choose
18 to comment at this time. Thank you, sir.

19 We do have some questions of agencies
20 regarding some specific issues and their
21 timeframes. I will ask Ms. Gefter to address
22 those questions. Susan, if you could just --

23 HEARING OFFICER GEFTER: Right, yes.
24 First of all, I'd like to ask Mr. Finnell from the
25 Air District if you could come forward and give us

1 an idea of the timeframe for issuing the PDOC.

2 PRESIDING MEMBER LAURIE: And could you
3 explain to the audience what a PDOC is, please,
4 sir.

5 MR. FINNELL: Okay. John Finnell,
6 Placer County Air Pollution Control District. The
7 PDOC, the abbreviation stands for preliminary
8 determination of compliance.

9 Essentially it's required by our rules
10 and by CEC as part of this process. It's an
11 engineering evaluation of the project and
12 determination of compliance with local, state and
13 federal rules as outlined in our rulebook.

14 In terms of the timeframe of issuing
15 that we had hoped to have it out at this point.
16 Our target date is mid May for the PDOC. The main
17 outstanding issues, which is typical of any larger
18 project that requires offsets, is the offset
19 package and outline is the primary issue.

20 And the second item, this is kind of a
21 separate item from the PDOC, is the PDOC would be
22 issued separate from -- the Health and Safety Code
23 of California requires that our District Board
24 approve credits that are being transferred to the
25 District. Our attorneys believe that's not

1 required prior to the PDOC.

2 We don't have a target date for that,
3 but that's another key issue in our end of the
4 process.

5 So maybe I can repeat, the PDOC, the
6 preliminary determination of compliance, and
7 estimated date for the scheduling is targeted for
8 mid May.

9 PRESIDING MEMBER LAURIE: Thank you,
10 sir.

11 HEARING OFFICER GEFTER: All right. I
12 also wanted to ask the City of Roseville to come
13 forward, Ms. Dunn, on any of the land use issues
14 that are pending at City of Roseville.

15 And then after that, Mr. Whitehead from
16 the Water Department, to tell us about the water
17 issues that may be pending.

18 MS. DUNN: Good evening; I'm Patty Dunn;
19 I'm the Community Development Director, Assistant
20 City Manager with the City.

21 Let's see, we currently have an
22 application for the West Roseville Specific Plan,
23 which is a project, 3100-acre project that
24 surrounds the Pleasant Grove Wastewater Treatment
25 Plant, as well as the Enron site.

1 We're currently scoping the
2 environmental document; expect to award a contract
3 on that probably within the next two to three
4 weeks; well, probably about a month, actually.

5 The processing of that project will
6 probably be about a year to a final City action;
7 also involves an annexation to the City, so that
8 also requires some additional time through LAFCO.

9 Can I answer any other questions for
10 you?

11 HEARING OFFICER GEFTER: From looking at
12 the specific plan it looks like there are several
13 residential areas planned in the vicinity of where
14 the power plant and the sanitation district's
15 water treatment plant are planned.

16 Is there any concern about the proximity
17 to the industrial area?

18 MS. DUNN: Well, that is something that
19 we will definitely be looking at in our review in
20 terms of noise, odors, aesthetics, that type of
21 thing. But our analysis is assuming that the
22 power plant is there; and of course, our
23 wastewater treatment plant will soon be done and
24 completed and operating long before the project
25 develops.

1 So this will both be considered as
2 existing facilities that we'll need to mitigate
3 and figure out how to deal with in terms of the
4 land use plan.

5 HEARING OFFICER GEFTER: Okay. Does the
6 City, in terms of your doing the EIR, the specific
7 plan, is the City looking for an environmental
8 document from the Energy Commission in terms of
9 approving the overall project?

10 MS. DUNN: No. I believe we will be
11 relying on a lot of the information that's coming
12 out of this process, and we're interested in
13 following that. Especially, you know, some of the
14 offsites where that ultimately occurs, because
15 that could have an effect on the land use plan.

16 HEARING OFFICER GEFTER: Okay.

17 PRESIDING MEMBER LAURIE: Ms. Dunn,
18 could you review for us what, if any,
19 discretionary permits would be required of this
20 project that would, by necessity, be issued by the
21 City?

22 MS. DUNN: There are none. The City
23 annexed the property a little over a year ago, and
24 there are no land use entitlements.

25 PRESIDING MEMBER LAURIE: Consistent

1 with current general plan and zoning designation?

2 MS. DUNN: That's correct.

3 PRESIDING MEMBER LAURIE: Thank you.

4 Any other questions? Thank you, Patty, very much.

5 HEARING OFFICER GEFTER: Mr. Whitehead.

6 MR. WHITEHEAD: I'm not sure quite what
7 information you're looking for from me, so I'd be
8 happy to answer any questions.

9 HEARING OFFICER GEFTER: Well, two
10 things. One is Ms. Dunn referred to the
11 sanitation district's water treatment plant, and
12 the timeframe for when that will be online.

13 And the second question I have is staff
14 has indicated that there may not be enough
15 reclaimed water available to run the plant in the
16 first few years of the plant's operation. And
17 that the Roseville project then would need to use
18 potable water. And the question is whether that
19 is something that the City is aware of, and what
20 timeframe that would require.

21 MR. WHITEHEAD: Okay. The answer to
22 your first question is we anticipate having the
23 plant online probably late October, early November
24 of this year. We're currently on schedule to do
25 that and that's a big event for us. So hopefully

1 that will be -- flowing wastewater to that plant
2 during that timeframe.

3 My understanding on the water supply is,
4 as staff has represented, there will be a short
5 duration of time, probably six or seven years,
6 that there might be -- probably five or six years,
7 excuse me, that there will not be sufficient water
8 from the wastewater treatment plant to meet the
9 cooling demands.

10 And what I mean by that is that there is
11 two different ways to look at it. There's the way
12 to look at it from an average day supply; and then
13 the maximum day supply.

14 And I think that Ken could probably
15 explain that, he's gone through and done that
16 analysis to look at that, as well as I've done
17 that analysis, as well.

18 We're looking over that five to six year
19 timeframe; if you're looking at an average day
20 demand -- if I get a little technical and I have
21 to explain this, let me know -- it looks like it
22 will be about two years, if I remember, they would
23 be able to meet all of the needs from the
24 wastewater treatment plant for cooling, after two
25 years, on an average day. Meaning that, you know,

1 you would have just typical normal summers.

2 On a maximum day it would take five
3 years, five to six years. And during that time it
4 would ramp down substantially, meaning that in the
5 first couple of years that when the power plant
6 had come on line in conjunction parallel to the
7 wastewater plant, you'd have a substantial amount
8 of water needed the first couple years. And then
9 that ramps down very quickly.

10 So, we have looked at what they have
11 proposed and we're comfortable with what they're
12 proposing.

13 I think if I remember right the number
14 was about 4500 acrefeet over the five-year
15 timeframe that they would need total. And that's
16 on the maximum day. And we've used very
17 conservative numbers to estimate what wastewater
18 would be coming from the plant.

19 HEARING OFFICER GEFTER: Okay. So
20 you're insuring us that this would not become an
21 issue when we got into the final staff assessment,
22 the City would have no problem --

23 MR. WHITEHEAD: From my perspective,
24 yes.

25 HEARING OFFICER GEFTER: -- providing

1 the potable water?

2 MR. WHITEHEAD: I think I can safely say
3 that we take water issues very seriously in
4 Roseville, and we wouldn't have entered into the
5 agreement if we didn't think we could do it.

6 HEARING OFFICER GEFTER: Thank you. All
7 right.

8 MR. WHITEHEAD: Okay.

9 HEARING OFFICER GEFTER: And also, Mr.
10 Grimes from the Roseville School District. Could
11 you come forward and tell us about the concerns of
12 the School District with relation to the power
13 plant site and the linear routing for the gas
14 pipeline.

15 MR. GRIMES: The way the permitting
16 process works for schools it's perhaps even more
17 complex than power plants now in the State of
18 California.

19 We're required to adopt a series of
20 findings, along with our CEQA process, we also
21 have to adopt findings under the Health and Safety
22 Code and the California Education Code.

23 Specifically, our board will have to
24 adopt findings that the site or the vicinity of
25 the site does not contain pipelines, or if there

1 are pipelines we would be required to perform a
2 risk assessment.

3 Now, we know there will be a pipeline
4 associated with the project. At this time the
5 alignment does not appear to pose a problem for
6 the high school. There is a possibility that it
7 would have an impact on one of the other five
8 schools within the plant area.

9 In addition, we are required to confer
10 with Air Pollution Control District and we are
11 required to adopt findings that our project will
12 not be impacted by emission of hazardous air
13 emissions, handling of hazardous materials,
14 acutely hazardous materials substances or waste.

15 There is the potential, and if you read
16 the initial submittal from the Roseville Energy
17 Facility, there does appear to be certain chemical
18 constituents that could make it difficult for our
19 board to make that finding.

20 And so one of the things that we would
21 like to see through the permitting process is that
22 that risk assessment does address the potential
23 impacts on sensitive receptors.

24 And in this case it would be six
25 different school sites; one being the high school

1 site, and the other five being the elementary
2 school district.

3 The California Department of Education
4 will require the completion of this risk
5 assessment before they can authorize us to acquire
6 the site. We've been working towards acquisition
7 of this site since 1999. And so we've committed a
8 fair amount of time and resources towards
9 acquiring a piece of property where we can build.
10 This is either going to be our fifth or our sixth
11 high school, depending on other factors within our
12 District.

13 So we are required to adopt these
14 findings. And then submit that to the California
15 Department of Education that we have basically
16 certified that we will not be exposing our
17 students or our staff to hazardous air emissions,
18 risks from pipeline and whatnot.

19 So those are our primary concerns at
20 this point in time. I have outlined this in a
21 letter to the Commission that I will submit for
22 your use, along with an updated copy of the West
23 Roseville Specific Plan, which does identify the
24 location of the school sites.

25 One other factor that does not appear to

1 be a problem for the high school would be the
2 proximity of the high voltage transmission lines
3 to our schools. Does not appear to be a problem
4 for the high school district; I'm not certain how
5 that may affect the elementary school district.
6 But that would be another factor we'll be required
7 to evaluate.

8 HEARING OFFICER GEFTER: At this time do
9 you suggest there is a conflict of interest
10 between the State Superintendent's Office and the
11 California Energy Commission with respect to some
12 of the risk assessment issues that you've raised?

13 MR. GRIMES: I don't think it's a
14 conflict of interest. I believe that tiering of
15 the risk assessments, I believe that we will have
16 an impartial risk assessment that will come out of
17 this process.

18 And I believe that we can tier off of
19 that much like the West Roseville Specific Plan
20 environmental impact report will establish a
21 baseline for us. And under certain circumstances
22 we may be able to incorporate portions of our
23 environmental analysis of the school sites within
24 that CEQA document.

25 We would also be tiering off of the

1 documents prepared by the Energy Commission.

2 And so the timing, I think, is our most
3 critical issue. We would like to be able to open
4 this school in 1996 or 1997 (sic). We're looking
5 at approximately a 24-month construction schedule.
6 Which then, as you can see, that backs us up
7 pretty to close to when you may be issuing final
8 approval.

9 So the timing on all these things are
10 very tight. We need to be moving forward with our
11 CEQA process. And we've met with the Department
12 of Education, the City of Roseville, and staff
13 have met with the Department of Education.

14 And so we have a loose understanding of
15 what the Department of Education will require.
16 They have submitted a letter in response to the
17 impacts that has been docketed for this project.

18 And so it's kind of this big moving
19 process. The City's moving, we're moving and
20 you're moving all at the same time. And my main
21 concern is that if we get out ahead of the process
22 we're not going to have the data we need to submit
23 tot he Department of Education, and that will slow
24 our permitting process for the site.

25 Because we still have 404 permits from

1 the Corps of Engineers for wetlands, and then all
2 the other permitting processes we'll have to
3 undergo.

4 HEARING OFFICER GEFTER: Okay. I want
5 to clarify the construction dates for the schools.
6 You mentioned 1997?

7 MR. GRIMES: I'm sorry, -- we started in
8 1999 on site acquisition evaluations. We're
9 looking at 2006 for opening, 2006, 2007 for
10 opening the school.

11 HEARING OFFICER GEFTER: Okay. And your
12 environmental review, what's the timeline on that?

13 MR. GRIMES: That would probably take us
14 approximately nine months to a year to complete
15 all our biological studies, water, wetland
16 studies, air quality studies, traffic studies and
17 whatnot.

18 And so we may be able to shorten that
19 depending on the tiering off of the other two
20 documents.

21 HEARING OFFICER GEFTER: Okay. Thank
22 you. Do you have a colleague with you from the
23 elementary school district, and would he have
24 other comments for us?

25 MR. GRIMES: There is a representative

1 here. I'm not certain of their status.

2 PRESIDING MEMBER LAURIE: Sir, before
3 you leave, I would just ask you to get your
4 written material in sooner rather than later.
5 Make it clear that you're speaking for and on
6 behalf of your board, if that is the case, because
7 that question will come up.

8 MR. GRIMES: Certainly.

9 PRESIDING MEMBER LAURIE: Okay.
10 Appreciate it, thank you.

11 MR. KINGSBURY: Dave Kingsbury with the
12 Roseville City School District.

13 The high school is further along than
14 us. All our sites are still in a tentative stage.
15 None of them have been defined permanently for us.
16 So we have no real concerns at this time until we
17 establish our site locations.

18 PRESIDING MEMBER LAURIE: Thank you,
19 sir.

20 HEARING OFFICER GEFTER: Representatives
21 from PG&E, Mr. Boschee. We have a question for
22 you regarding the gas pipeline route and the
23 timing for deciding a final route.

24 MR. BOSCHEE: The pipeline route that
25 you're looking at tonight is one that we agree

1 with. We've been working with Enron on that
2 pipeline route, and certainly agree with the
3 general, the route that has been selected.

4 We provided them a letter yesterday
5 based on a preliminary facility study that takes
6 into consideration that particular route.

7 HEARING OFFICER GEFTER: Is this a
8 different route from the one that was originally
9 proposed in the AFC?

10 MR. BOSCHEE: Originally when they first
11 approached us we developed -- our normal procedure
12 is to look at the project and to develop a number
13 of alternatives and options as to how we might
14 serve a particular facility.

15 In this particular case I think there
16 were two or three different routes that were
17 developed originally. This particular route that
18 we're looking at now was one of those
19 alternatives.

20 I believe initially Enron selected the
21 other route, the route that would go, I think, to
22 line 1, 2, 3, as the one that they would want to
23 initially look at.

24 Since that time that has changed.

25 HEARING OFFICER GEFTER: How long is the

1 route?

2 MR. BOSCHEE: The one that's being
3 selected? I think it's around 34 miles, a little
4 under 34 miles.

5 HEARING OFFICER GEFTER: And would you
6 provide a copy of the letter that you submitted to
7 Enron to indicate that this is the approved route?

8 MR. BOSCHEE: If Enron's willing to
9 provide that, I --

10 HEARING OFFICER GEFTER: You can redact
11 certain parts if Enron wishes to do that.

12 MR. THOMPSON: Thanks. I've been
13 informed that there are a number of dollar figures
14 in that that we would rather -- let me suggest as
15 an alternative that we redact the dollar figures
16 and submit the letter, if that's acceptable to the
17 Committee?

18 HEARING OFFICER GEFTER: That's fine.

19 MR. THOMPSON: Thank you.

20 PRESIDING MEMBER LAURIE: Thank you,
21 sir.

22 HEARING OFFICER GEFTER: Thank you, Mr.
23 Bosch.

24 The final questions would go to Western.
25 And the questions are with respect to the EIS

1 process, and the coordination that Western is
2 undergoing with the staff from the CEC.

3 MR. SORNBORGER: Being as the
4 preliminary staff assessment and the final staff
5 assessment will be issued as a joint state and
6 federal document, Western is committed to meeting
7 whatever schedule staff goes forward with.

8 Western will plan on conducting a
9 scoping meeting in the mid July timeframe. A well
10 defined project scope provided by the applicant,
11 however, will aid Western in determining the level
12 of National Environmental Policy Act, or NEPA
13 documentation that's required.

14 Should the project scope evolve past the
15 July 1st date that Mr. Shaw talked about, Western
16 may be required to perform additional scoping
17 meetings to inform the public of any project
18 changes.

19 Should additional scoping meetings be
20 required or should significant project impacts be
21 determined, Western may request a schedule
22 modification from the Commission.

23 HEARING OFFICER GEFTER: I think there
24 was an issue with respect to the transmission line
25 route, and you have a representative here who can

1 talk to us about that?

2 MR. SORNBORGER: We do, we have a
3 transmission line planner here. Mariam Mirzadeh
4 is here, and I would prefer she could speak to
5 that.

6 MS. MIRZADEH: My name is Mariam
7 Mirzadeh and I'm with Western in the transmission
8 planning group.

9 Currently we are studying the Roseville
10 Energy Facility interconnection with Western
11 facility. And the connection configuration is
12 slightly different from the study that has been
13 submitted, the system impact study that has been
14 submitted to California Energy Commission.

15 On March 26th with the agreement from
16 applicant, Enron's agreement, we took the new
17 configuration and the study results up to the
18 point that we had done to the Sacramento Area
19 Transmission Planning Group. It has been
20 presented to them. And we have submitted to them
21 the basecases as we have configured the
22 interconnection.

23 And they have reviewed it. We have
24 received comments from SMUD that they agree with
25 our connection configuration. They think we are

1 representing their system correctly.

2 And we have identified some overloads on
3 the SMUD facility. But overall the new
4 transmission that's required is less in this
5 configuration than the one that was submitted to
6 CEC before.

7 We are currently performing the studies.
8 And we will be finished by July 1st. We would be
9 able to submit the final system impact study
10 report with all the mitigations that are required
11 as a complete package to the applicant, and they
12 can submit to CEC.

13 HEARING OFFICER GEFTER: Thank you very
14 much.

15 Are there any other agency
16 representatives who wish to address us at this
17 time? You're welcome to come forward.

18 Okay. Now, it's time for public
19 comment. If members of the public who are here
20 this evening have any comments that they would
21 like to share with us, please come forward now and
22 go up to the microphone and introduce yourselves.

23 MS. PEFFLEY: Good evening.

24 PRESIDING MEMBER LAURIE: Good evening.

25 MS. PEFFLEY: I'm Nancy Peffley, and I

1 am a resident of Sylvan Glen Lane, approximately
2 one mile from the proposed power plant.

3 While I can't rebut any of the
4 statements that were made tonight, particularly
5 the air pollution credits, et cetera, I do have
6 the following question.

7 Who will be providing the security out
8 there? In view of 9/11, our world has changed.
9 And according to our Governor Gray Davis, power
10 plants are a target.

11 Will the Sun City residents and the
12 neighboring homes, the new homes proposed for the
13 area, will we be able to even get the proper
14 insurance coverage?

15 Thank you.

16 PRESIDING MEMBER LAURIE: Thank you.
17 Those are relevant questions. They are questions
18 that the Energy Commission is analyzing in house,
19 and will be addressed in some fashion as part of
20 this process.

21 Any other member of the public desire to
22 comment at this point?

23 Seeing none, I'll ask for closing
24 comments from staff. Do you have any closing
25 comments at this point, Mr. Shaw?

1 MR. SHAW: I have none, thank you.

2 PRESIDING MEMBER LAURIE: Mr. Wehn?

3 MR. WEHN: I have none, sir.

4 PRESIDING MEMBER LAURIE: Thank you. It
5 is the intent of the Committee to move forward in
6 as efficacious manner as possible. There are a
7 number of questions relating to this project. We
8 understand that a lot of data is promised to be
9 provided no later than July 1. We will provide an
10 opportunity for that data to be analyzed.

11 And we will issue an order regarding a
12 subsequent status conference. Depending upon the
13 status of the information that is submitted as a
14 result of, we'll call it the July 1st data, we
15 will make a determination regarding a schedule.

16 One thing we do not want to do is
17 utilize important and valuable staff time in an
18 inefficient manner. And we understand that staff
19 has a number of projects going at the same time,
20 and we would need to make sure that you prioritize
21 those projects accordingly.

22 At the same time, this applicant is due
23 a fair and reasonable hearing process.

24 So, in the Committee's view a lot will
25 depend upon the nature of the responses that are

1 provided. I would anticipate that in our order,
2 which will be issued within a matter of days, we
3 will schedule another status conference for the
4 mid July period; and reach a determination on the
5 status of the project at that point.

6 Mr. Smith, do you have any comments?

7 MR. SMITH: No.

8 PRESIDING MEMBER LAURIE: Ms. Gefter?

9 HEARING OFFICER GEFTER: No.

10 PRESIDING MEMBER LAURIE: Ladies and
11 gentlemen, again, members of the public, before we
12 adjourn the meeting, if you have any desire to
13 offer comment or question at this point, please do
14 so. If not, you can expect an additional hearing,
15 the same order, probably in a little greater
16 detail, because we'll have more data to work with,
17 within approximately 60 to 90 days.

18 Seeing none, the meeting stands
19 adjourned. We appreciate your attendance very
20 much.

21 (Whereupon, at 7:00 p.m., the conference
22 was concluded.)

23 --o0o--

CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter,
do hereby certify that I am a disinterested person
herein; that I recorded the foregoing California
Energy Commission Conference; that it was
thereafter transcribed into typewriting.

I further certify that I am not of
counsel or attorney for any of the parties to said
conference, nor in any way interested in outcome
of said conference.

IN WITNESS WHEREOF, I have hereunto set
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